



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	SB0161	Title:	Revise captive insurance laws
Primary Sponsor:	Laible, R.	Status:	As Amended in House Committee

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
State Special Revenue	\$8,000	\$9,250	\$10,500	\$12,000
Revenue:				
General Fund	(\$8,000)	(\$9,250)	(\$10,500)	(\$12,000)
State Special Revenue	\$8,000	\$9,250	\$10,500	\$12,000
Net Impact-General Fund Balance	<u>(\$8,000)</u>	<u>(\$9,250)</u>	<u>(\$10,500)</u>	<u>(\$12,000)</u>

Description of Fiscal Impact:

The premium taxes collected under 33-28-201, MCA, will be reduced by five percent. A new state special revenue account for the captive program will be established and this account will reimburse reasonable expenses incurred in promoting the captive insurance program in this state.

FISCAL ANALYSIS

Assumptions:

1. The Captive Insurance Program has licensed 21 captive insurance companies to do business in Montana as of December 31, 2006. This program was approved by the 2001 Legislature and has seen continuous growth since its inception.
2. The Captive Insurance Program has collected premium taxes of \$20,037 in calendar year 2002; \$51,713 in calendar year 2003; \$72,569 in calendar year 2004; \$86,696 in calendar year 2005; and estimates collecting over \$100,000 in calendar year 2006.
3. Section 2 of this bill will create a new state special revenue account referred to as the captive account. This account will be funded with five percent of premium tax collected under 33-28-201, MCA. This

account will be used to reimburse reasonable expenses incurred in promoting the captive insurance program in this state.

4. Expenses reimbursed would be for Montana to attend Captive Insurance Conferences and the promotion of the Montana Captive Insurance industry.
5. It is estimated that premium taxes collected in calendar year 2007 will be \$130,000, 2008 will be \$160,000, 2009 will be \$185,000, 2010 will be \$210,000, and 2011 will be \$240,000.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services	\$0	\$0	\$0	\$0
Operating Expenses	\$8,000	\$9,250	\$10,500	\$12,000
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$8,000	\$9,250	\$10,500	\$12,000
<u>Revenues:</u>				
General Fund (01)	(\$8,000)	(\$9,250)	(\$10,500)	(\$12,000)
State Special Revenue (02)	\$8,000	\$9,250	\$10,500	\$12,000
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$8,000)	(\$9,250)	(\$10,500)	(\$12,000)

Sponsor's Initials

Date

Budget Director's Initials

Date